

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 22, 2005

ANALYST: Karen Trainer

I. COMMITTEE: Progressive Majority (C00351486)
Thomas C. Matzzie, Treasurer
1025 Connecticut Ave. NW #216
Washington, DC 20036

II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)
2 U.S.C. §434(b)(4)
2 U.S.C. §441a(a)(8)
11 C.F.R. §104.3(a)
11 C.F.R. §104.3(b)
11 C.F.R. §104.17(b)
11 C.F.R. §110.6(c)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

Progressive Majority ("the Committee") filed an Amended 2004 30 Day Post-General Report on January 24, 2005 in order to disclose additional receipts totaling \$54,943.91 and additional disbursements totaling \$57,383.12 (Image 25980321111) (Attachment 2).

On December 2, 2004, the Committee filed its 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004. This report disclosed \$3,295.00 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons other than Political Committees), \$36,656.08 on Line 21(a)(i) (Federal Share of Operating Expenditures), \$54,984.12 on Line 21(a)(ii) (Non-Federal Share of Operating Expenditures) and \$250.00 on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page. Additionally, the report did not disclose any memo entries listing earmarked receipts on Schedule A (Itemized Receipts) which would support Line 11(a)(i) (Itemized Contributions from Individuals/Persons) or any memo entries listing earmarked disbursements on Schedule B (Itemized Disbursements) to support Line 23

26190264367

(Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page (Image 24981619799).

On January 24, 2005, the Committee filed an Amended 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004. The amended report disclosed \$3,788.91 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons other than Political Committees), \$38,537.67 on Line 21(a)(i) (Federal Share of Operating Expenditures), \$57,806.50 on Line 21(a)(ii) (Non-Federal Share of Operating Expenditures), and \$8,364.65 on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page. Additionally, the report again disclosed \$54,450.00 in memo entries on Schedule A (Itemized Receipts) supporting Line 11(a)(i) (Itemized Contributions from Individuals/Persons other than Political Committees) and \$54,450.00 in earmarked disbursements as memo entries on Schedule B (Itemized Disbursements) supporting Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page (Image 25980321111).

On February 23, 2005, a Request for Additional Information ("RFAI") was sent to the Committee. The RFAI asked for clarification regarding the \$54,450.00 in earmarked contributions as listed on Schedule A (Itemized Receipts) and Schedule B (Itemized Disbursements), the \$2,933.00 in additional disbursements and the \$493.00 in additional receipts that were not disclosed on the Committee's original 2004 30 Day Post-General Report¹ (Image 25038741413).

On March 25, 2005 the Committee filed an Amended 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004. The amended report disclosed \$3,788.91 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons other than Political Committees), \$22,159.19 on Line 21(a)(i) (Federal Share of Operating Expenditures), \$74,184.98 on Line 21(a)(ii) (Non-Federal Share of Operating Expenditures), and \$8,364.65 on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page. Additionally, the report disclosed \$54,450.00 in earmarked receipts as memo entries on Schedule A (Itemized Receipts) supporting Line 11(a)(i) (Itemized Contributions from Individuals/Persons other than Political Committees) and \$54,450.00 in earmarked disbursements as memo entries on Schedule B (Itemized Disbursements) supporting Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page (Image 25990299470). A memo text statement was also attached to the report which stated, "In response to the request for additional information, the Committee reconciled the November 30 monthly bank statements and reviewed cleared checks, supporting invoices and documentation, and other transactions. Amendments are made to appropriately disclose the Committee's financial activity on the correct Schedules and Line Numbers on the Detailed Summary Page, and to ensure that all transactions that may be subject to the regulations are reported." (Image 25990299540)

¹ The Committee's original 2004 30 Day Post-General Report filed on December 2, 2004 disclosed \$10,236.00 on Line 21(b) (Other Federal Operating Expenditures). However, the Amended 2004 30 Day Post-General report filed on January 24, 2005 disclosed \$350.50 on Line 21(b), which represented \$9,885.50 less than the amount stated on the original 2004 30 Day Post-General Report, therefore reducing the total increase in disbursements to \$2,933.12 (excluding memo earmarked disbursements). Please note that the RFAI sent on February 23, 2005 refers to this total as, "contributions to federal candidates totaling \$2,933.00 on Line 23".

On April 11, 2005, the Reports Analysis Division ("RAD") Analyst called Gloria Totten, the Executive Director of the Committee, to discuss the issue of the increased activity on the Amended 2004 30 Day Post-General Report, received January 24, 2005. The Analyst informed Ms. Totten that the Committee could be referred to the Office of General Counsel ("OGC") since the increased activity was not disclosed on the original report. The analyst further explained that the clarification provided by the Committee was not an adequate response because it did not change the fact that the activity had not been disclosed in a timely manner. The Analyst asked the Committee to submit any additional information that would clarify the issue of increased activity (Attachment 3).

On April 20, 2005, the RAD Analyst left a voicemail message for Ms. Totten in which she stated that the Commission had yet to receive any further information which would clarify the OGC referable issue of the increased activity on the 30 Day Post-General Report. The Analyst closed her message by asking that Ms. Totten return her call to advise if further information was forthcoming (Attachment 4).

On May 26, 2005, the Committee filed another Amended 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004. The amended report disclosed \$3,788.91 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons other than Political Committees), \$22,159.19 on Line 21(a)(i) (Federal Share of Operating Expenditures), \$74,184.98 on Line 21(a)(ii) (Non-Federal Share of Operating Expenditures), and \$8,364.65 on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page. Additionally, the report disclosed \$54,450.00 in earmarked receipts as memo entries on Schedule A (Itemized Receipts) supporting Line 11(a)(i) (Itemized Contributions from Individuals/Persons other than Political Committees) and \$54,450.00 in earmarked disbursements as memo entries on Schedule B (Itemized Disbursements) supporting Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page (Image 25980321111).

To date, no further communication has been received from the Committee regarding this matter.

26190264369